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TAGS: [ECON](#) [SOCI](#) [PGOV](#) [MU](#)
SUBJECT: OMAN BOOSTS PENSIONS

REF: MUSCAT 148

¶1. (U) As part of the government's overall response to public grumbling over the rising cost of living, Sultan Qaboos ordered an increase in pension rates for government retirees, effective from the end of March 2008. Following a similar tiered format for the recent public sector wage hike (reftel), the Sultan decreed a 35% increase for those receiving the minimum monthly pension amount, a 17% increase for those receiving between 100-200 rials (USD 260-520) per month, a 10% increase for those receiving between 200-300 rials (USD 520-780), and a 5% increase for those receiving over 300 rials (USD 780). The Sultan also granted an exemption for retired and active personnel in the armed forces and the Royal Guard of Oman from paying the balance of armed forces housing loans up to 3,000 rials (USD 7,800) for those earning or receiving less than 300 rials per month. For the remaining value of the loans over this amount, the Sultan granted a 50% exemption.

¶2. (SBU) Not surprisingly, these measures received ample laudatory press coverage. Sheikh Mohammed bin Abdullah al-Harthy, Minister of Civil Service and Deputy Chairman of the Pension Fund for Civil Service Employees, noted to the media that the Sultan "has always been keen on improving the living standards and ensuring the welfare of his subjects." English-language daily "Oman Tribune" also exalted the "generous" move on its editorial page.

¶3. (SBU) Comment: By announcing an increase in retiree payments, the government has helped to diffuse complaints over low pensions that have been simmering for years on Internet chatrooms and coffeeshops around the Sultanate. Responses following the directive have been positive, evidence of the government's use of a compliant media to showcase that the Sultan is in tune with the people on cost of living issues. End Comment.
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